

# AM03

## Notice of administrator's proposals



Companies House

TUESDAY



\*A7EA0PY2\*  
A31 11/09/2018 #164  
COMPANIES HOUSE

### 1 Company details

Company number 04938750

Company name in full Agency Lighting Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Sean

Surname Williams

### 3 Administrator's address

Building name/number Leonard Curtis

Street 36 Park Row

Leeds

Post town

County/Region

Postcode LS15JL

Country

### 4 Administrator's name ①

Full forename(s) Phil

Surname Deyes

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number Leonard Curtis

Street 36 Park Row

Leeds

Post town


County/Region

Postcode LS15JL

Country

② Other administrator  
Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

<b>6</b>		<b>Statement of proposals</b>	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
<b>7</b>		<b>Sign and date</b>	
Administrator's Signature	Signature <input checked="" type="checkbox"/> 		<input checked="" type="checkbox"/>
Signature date	10 09 2018		

## AM03 Notice of Administrator's Proposals



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Robert Barker
Company name	Leonard Curtis
Address	36 Park Row
	Leeds
Post town	
County/Region	
Postcode	L S 1 5 J L
Country	
DX	
Telephone	0113 323 8890



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed and dated the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**AGENCY LIGHTING LIMITED  
(IN ADMINISTRATION)**

Registered Number: 04938750

Court Ref: 2734 of 2018

High Court of Justice Business and Property Courts in Manchester - Company & Insolvency List  
(CHD)

**Joint Administrators' Report and Statement of Proposals in accordance  
with Para 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of  
the Insolvency (England and Wales) Rules 2016**

**Report date: 10 September 2018**

**Date report deemed to be delivered to creditors: 12 September 2018**

Leonard Curtis contact details:

36 Park Row, Leeds,  
LS1 5JL

Tel: 0113 323 8890 Fax: 0113 323 8891

General email: [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk)

Email for requests for a physical meeting: [Leeds.meetingreq@leonardcurtis.co.uk](mailto:Leeds.meetingreq@leonardcurtis.co.uk)

Ref: E/34/RB/A904K/1040

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TO: THE REGISTRAR OF COMPANIES  
ALL CREDITORS  
ALL EMPLOYEES  
ALL MEMBERS

## 1 INTRODUCTION

### General information

- 1.1 I refer to the appointment of Phil Deyes and I as Joint Administrators ("the Joint Administrators") of Agency Lighting Limited ("the Company") on 9 August 2018 and now write to present the Joint Administrators' proposals ("the Proposals") (Appendix A) for the Company pursuant to the Insolvency Act 1986 ("the Act").
- 1.2 Para 3 of Schedule B1 to the Act requires the administrators to perform their functions with the objective of:
- a) Rescuing the company as a going concern; or
  - b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration); or
  - c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.3 Para 51(1) of Schedule B1 to the Act ordinarily requires the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. However, this does not apply where the administrators state that they think:
- a) That the company has sufficient property to enable each creditor of the company to be paid in full; or
  - b) That the company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund; or
  - c) That neither of the objectives specified in 1.2(a) and 1.2(b) above can be achieved.
- 1.4 I can confirm that in this case the administrators are of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of a distribution of the prescribed part fund. A dividend is, however, expected to be paid to secured creditors. As a result, there is no requirement to seek a decision from the Company's general body of creditors as to whether they approve the Proposals.
- 1.5 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered and comprise the following:
- A statement of the purpose of the proposed decision; and EITHER
  - A statement of the requesting creditor's claim, together with:
    - A list of the creditors concurring with the request and the amount of their respective claims or values; and
    - Confirmation of concurrence from each creditor concurring. OR
  - A statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors.
- The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.
- 1.6 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case,

notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.

**Notice of an Invitation to Creditors to Form a Creditors' Committee**

- 1.7 Although no dividend is expected to be paid to unsecured creditors in this case, creditors are entitled to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee.
- 1.8 Attached at Appendix K is Notice of an Invitation to Creditors to Form a Creditors' Committee. Any nominations must be delivered to the Joint Administrators by 26 September 2018 and can only be accepted if the Administrators are satisfied as to the creditor's eligibility under Rule 17.4 of the Rules.
- 1.18 In order to assist them in making an informed decision on whether they wish to be nominated to serve on a committee, creditors are encouraged to access the document below, which provides information on the rights, duties and functions of creditors' committees.

<https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>

**2 STATUTORY INFORMATION**

- 2.1 The Administration proceedings are under the jurisdiction of the High Court of Justice, Business and Property Courts in Manchester - Company & Insolvency List (CHD) under Court reference 2734 of 2018.
- 2.2 During the period in which the Administration Order is in force, any act or function required or authorised to be done by the Joint Administrators may be exercised by both or either of them.
- 2.3 A notice to change the Company's registered office from Unit 14, Rudgate Business Park, Tockwith, York, YO26 7RD to 36 Park Row, Leeds, LS1 5JL was submitted to Companies House on 15 August 2018. The registered number is 04938750. The Company traded as its registered name.
- 2.4 The Company operated from leasehold premises at Unit 14, Rudgate Business Park, Tockwith, York, YO26 7RD.
- 2.5 The Company's director is:

Name	Role	Date Appointed
Tinashe Gwena	Director	22 December 2017

- 2.6 The Company's authorised share capital is £9. The issued share capital comprises 9 Ordinary £1 Shares, the shares being owned as follows:

Name	Class of Share	No. of Shares	% of Total Owned
GBA AL Holdings Ltd	Ordinary	9	100
		9	100

- 2.7 According to the information registered at Companies House, the Company has the following registered charges:

Charge Holder	Date created	Description	Amount secured £	Assets Charged
Aldermore Bank Plc	22/12/2017	Debenture creating a fixed and floating charge	All monies	All assets

- 2.8 The EC Regulation on Insolvency Proceedings 2015 applies to this Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

### **3 HISTORICAL BACKGROUND AND EVENTS LEADING UP TO ADMINISTRATION**

- 3.1 The Company was introduced to Leonard Curtis Recovery Limited ("LC") by Aldermore Bank Plc ("Aldermore") on 16 July 2018.
- 3.2 Aldermore provided the Company with an invoice discounting facility. In July 2018 a winding up petition was issued against the Company by a key supplier, with a hearing date set for 15 August 2018. This position raised significant concerns with Aldermore who contacted LC as the winding up petition constituted a breach of the Company's invoice finance agreement with Aldermore.
- 3.3 LC met with Aldermore and the Director of the Company, Tinashe Gwena, on 16 July 2018 at the offices of LC at 6<sup>th</sup> Floor, 36 Park Row, Leeds, LS1 5JL.
- 3.4 During the meeting, Mr Gwena provided the background to the Company, which was incorporated in 2003 by Mr Craig Johnston.
- 3.5 The Company originally traded from leasehold premises in Tadcaster, following which it moved to premises at Unit 14, Rudgate Business Park, Tockwith YO26 7RD ("the Premises") in 2010. This is a freehold premises owned by Mr Johnston and the Company initially occupied the premises under an informal rent arrangement.
- 3.6 The Company was initially capitalised from the personal savings and employment income of Mr Johnston. It did not have a bank loan, overdraft or any other form of debt finance, other than standard credit terms from suppliers.
- 3.7 The trade of the business was the retail and wholesale of lightbulbs to electrical retailers, hotels, businesses and private individuals. There was a seasonal element to the business, with the autumn and winter months from September through to February being the Company's peak trading period.
- 3.8 At the date of Administration the Company employed 6 full time staff.
- 3.9 The Company traded profitably during its initial period and built up cash reserves in anticipation of future expansion. After a health scare in 2015 Mr Johnston decided to look at retirement options and the business was subsequently marketed for sale. It was decided in October 2015 that Mr Johnston would give the Company's management team the opportunity to acquire the business. Sean Harris, a long term senior member of staff, acquired the shares through a holding company, Agency Lighting Holdings Ltd ("ALH"), with an element of deferred consideration to be paid from future profits.
- 3.10 Under the terms of the sale agreed with ALH, ownership of the business and assets could revert to Mr Johnston if certain conditions were not met, such as failing to make the required deferred payments. ALH subsequently advised that it would not be in a position to continue to make payments in line with the sales agreement. Mr Johnston was reluctant to step back into the business at that time, and alternative options were considered.
- 3.11 At around that time the Company was approached by Mr Gwana from GBA Capital Ltd, who expressed an interest in acquiring the business from Mr Harris. A sale of the Company's shares was subsequently agreed between ALH and GBA AL holdings Limited ("GBA"), the current shareholder, and completed on 22 December 2017, immediately following the sale the Company closed for the Christmas period.
- 3.12 At the time of the share sale GBA gave verbal assurances to Mr Harris that they had sufficient cash resources available to fund both the Company's working capital requirements and a substantial expansion of the business over the next few years.



## Agency Lighting Limited - In Administration

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- 3.13 Following the share sale to GBA both Mr Johnston and Mr Harris resigned as directors of the Company, being replaced in this capacity by Mr Gwana. Mr Harris would continue to be retained as an employee of the Company and Mr Johnston was engaged on a separate consultancy agreement for a two year period, following which he would receive the deferred consideration due to him under the initial share sale of ALH to Mr Harris. During this period Mr Johnston would focus on driving sales and introducing new product lines on the back of the capital support provided by GBA.
- 3.14 Following its acquisition of the Company's shares, a lease was granted to the Company by Mr Johnston to formalise the Company's occupation of the Premises and to enable the business to continue trading from the Premises.
- 3.15 The Company's accounting year end is 30 September and the 2017 accounts were completed prior to the sale, and the resulting Corporation Tax settled. All staff wages and other HMRC liabilities were also settled prior to the sale being concluded.
- 3.16 In January 2018 the Company began trading under Mr Gwana's directorship. Mr Gwana immediately raised finance through Aldermore by way of an invoice finance facility. The Company's accounting functions were taken in house by GBA and the lines of communication between the Company and its suppliers were disrupted as a consequence.
- 3.17 Due to this disruption supplier accounts in January 2018 were not discharged in time to take advantage of the early settlement discounts offered to the Company, which were not insignificant amounts. The Company had always relied on claiming these discounts to maintain profitability and build up sufficient reserves in the winter months to fund trading through the quieter spring and summer periods.
- 3.18 In February 2018, as a result of the complications with arranging supplier payments through the new accounting function, the staff started to experience problems in buying products as accounts were placed on hold. On 22 February 2018 a key supplier, sent a notice of intention to commence proceedings to recover a debt of £35,261.
- 3.19 Whilst the above issue was resolved, it caused a knock on effect with the Company's supply chain, which was compounded by ongoing issues with the new accounting function either paying suppliers late or not at all. As a consequence of these issues an increasing number of supplier accounts began to be put on hold and the Company's staff began experiencing difficulties in maintaining stock levels and meeting customer orders.
- 3.20 Mr Gwana sought new funding and approached Growth Street Provision Ltd ("GSPL") with a view to replacing Aldermore's funding facility. Ultimately GSPL were unable to provide funding to the Company, however due to an administrative error they registered a charge at Companies House.
- 3.21 Mr Gwana noticed this error and advised GSPL, who rectified the position by filing a notice of satisfaction in respect of the charge a few days later.
- 3.22 As noted at 3.2, a key supplier issued a winding up petition to the Company in July 2018.
- 3.23 The Company's facility with Aldermore had entered into an over advanced position, as result of ageing bad debts and therefore Aldermore was unable to provide any further funding, resulting in the engagement of LC.
- 3.24 LC advised the Director that the Company was insolvent pursuant to Section 123 of the Insolvency Act 1986 (as amended) ("the Act") as it could not pay its debts as and when they fell due and in particular as a result of its inability to satisfy the debt which had resulted in a winding up petition being presented.
- 3.25 LC discussed the options available to the Company, and the Director confirmed that neither he nor the Company's shareholder (a vehicle under his control) were able to introduce further funding. The Director noted that the Company's former owner / director, Craig Johnston, may have an interest in the Company's business and assets.

## Agency Lighting Limited - In Administration

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- 3.26 A subsequent meeting was held with Mr Johnston and his accountants, Gillbeck Associates, who had previously acted as the Company's accountants, at Gillbeck Associates offices at Flockton House, Audby Lane, Wetherby, LS22 7FD on 25 July 2018. During this meeting Mr Johnston expressed an interest in acquiring the Company's business and assets.
- 3.27 Following the meeting, on 26 July 2018, Mr Gwena verbally instructed LC to take steps to place the Company into Administration. LC's letter of engagement was provided to Mr Gwena on 1 August 2018 and was signed by Mr Gwena on 3 August 2018.
- 3.28 In light of the outstanding winding up petition, Mr Gwena as Director was unable to take steps to place the Company into Administration without making an application to Court.
- 3.29 Mr Gwena therefore invited Aldermore, as a Qualifying Floating Charge Holder, to appoint Administrators on 30 July 2018, given the Company's insolvent position.
- 3.30 A Notice of Appointment of an Administrator was subsequently filed in High Court of Justice, Business and Property Courts in Manchester - Company & Insolvency List under Court number 2734 of 2018 on 9 August 2018. The appointment was made by Aldermore under Paragraph 14 of Schedule B1 to the Act. Sean Williams and Phil Deyes were duly appointed as Joint Administrators, both of whom are licenced to act as Insolvency Practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales under office holder numbers 11270 and 9089 respectively.

## 4 RECENT TRADING RESULTS AND CURRENT FINANCIAL POSITION

- 4.1 The Company's trading results for the years ending 30 September 2015, 2016 and 2017 are detailed below:

<b><u>PROFIT &amp; LOSS ACCOUNT</u></b>	<b>Signed Year ended 30/09/17 £'000</b>	<b>Signed Year ended 30/09/16 £'000</b>	<b>Signed Year ended 30/09/15 £'000</b>
Turnover	1,638,706	1,812,643	2,197,837
Cost of Sales	(1,336,560)	(1,413,011)	(1,684,502)
Gross Profit	302,146	399,632	513,335
Gross Profit %	18.44	22.05	23.36
Administrative expenses	(236,572)	(247,282)	(357,266)
Operating Profit/(Loss)	65,574	152,530	156,069
Interest Receivable	-	-	2,008
Profit on ordinary activities before taxation	65,574	152,530	158,077
Taxation	(14,169)	(31,499)	(34,325)
Profit for the year	51,405	120,851	123,752
Reserves	1,645,277	1,524,426	1,425,674
Dividends	(1,318,030)	-	(25,000)
Retained profit	378,652	1,645,277	1,524,426

## Agency Lighting Limited - In Administration

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4.2 The balance sheets as at 30 September 2015, 2016 and 2017 are detailed below

<b><u>BALANCE SHEET</u></b>	<b>Signed Year ended 30/09/17 £'000</b>	<b>Signed Year ended 30/09/16 £'000</b>	<b>Signed Year ended 30/09/15 £'000</b>
<b>Fixed Assets</b>			
Tangible Assets	8,304	13,167	15,468
<b>Current Assets</b>			
Stocks	230,000	361,675	296,750
Debtors	334,107	1,558,441	494,218
Pre-payments & accrued income	4,718	-	-
Cash	100,912	6,599	1,121,787
	669,737	1,926,715	1,912,755
Creditors: Amounts Falling due within one year	(295,710)	(291,196)	(400,388)
Net Current Assets/(Liabilities)	374,027	1,635,519	1,512,367
Total Assets less Current Liabilities	382,331	1,648,686	1,527,835
Accruals and deferred income	(3,670)	(3,400)	(3,400)
<b>Net Assets</b>	<b>378,661</b>	<b>1,645,286</b>	<b>1,524,435</b>
<b>Represented by</b>			
Called up share capital	9	9	9
Profit and Loss account	378,652	1,645,277	1,524,426
<b>Shareholders' Funds</b>	<b>378,661</b>	<b>1,645,286</b>	<b>1,524,435</b>

### Statement of Affairs

4.3 The Directors are required to lodge a statement of affairs as at 9 August 2018 which has to be filed with the Registrar of Companies. This document has not yet been received. In the meantime, an estimate of the financial position as at the date of the Joint Administrators' appointment is enclosed at Appendix B, together with a list of creditors including their names, addresses and details of their debts, including any security held.

4.4 The following comments are considered to be relevant and should be borne in mind when reading the figures:

#### Secured Creditor

##### Aldermore

4.5 As noted above the Company had the benefit of an invoice finance facility provided by Aldermore. Aldermore have confirmed that the Company's gross debtor ledger as at 9 August 2018 was £162,864 of which Aldermore had approved £110,518 for funding. The Company's capital indebtedness to Aldermore totals £126,864.

4.6 Please note that the above figure does not include any termination or collection charges which Aldermore may be entitled to levy under the terms of its security.

4.7 Aldermore are undertaking a collection of the outstanding debts, and have collected the sum of £ 27,072.23 to date. We will monitor this process and arrange for the collection of any surplus which may arise in due course.

**Prescribed Part**

- 4.8 The Act provides that where a company has created a floating charge after 15 September 2003, the administrator must make a prescribed part of the company's net property available to the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.
- 4.9 We do not anticipate that there will be sufficient funds to enable a distribution to Aldermore under the terms of its floating charge, and accordingly the prescribed part will not apply.

**Preferential Claims**

- 4.10 The only categories of claims which have preferential status are those of employees in respect of wages (up to £800 per employee), accrued holiday pay and certain unpaid employee pension contributions which have been deducted but not paid over. Immediately following our appointment, the Company's 6 staff were made redundant.
- 4.11 Insol Group (HR) Limited ("Insol") have been instructed to assist the Joint Administrators in making all post-appointment redundancies. Insol have also assisted former employees in making claims to the National Insurance Fund. For the purposes of this report Insol have estimated a preferential claim of £9,079.52 will arise in respect of arrears of wages and unpaid holiday pay. Further information will be provided in our next report to creditors.
- 4.12 We do not anticipate that there will be sufficient funds to enable a distribution to the Company's preferential creditors.

**Unsecured Claims**

- 4.13 At present, it is considered unlikely that there will be sufficient funds available to enable any form of distribution to unsecured creditors. This statement is being made in accordance with paragraph 52(1)(b) of Schedule B1 to the Act. Creditors should however continue to submit details of their claims using the proof of debt form attached at Appendix I. These claims will be collated and passed to any subsequently appointed Liquidator, should the position change.

**Landlord**

- 4.14 The Company vacated its trading premises immediately following the Joint Administrators appointment. It is therefore anticipated that the landlord will register a claim for outstanding rent.
- 4.15 The Joint Administrators will liaise with the landlord regarding the Company's exit from its lease.

**Pension Scheme**

- 4.16 The Company did not operate a pension scheme as its employees had opted out of an auto-enrolment scheme. Accordingly, no pension scheme claim is anticipated.

**Receipts and Payments**

- 4.17 A receipts and payments account for the period of Administration to date is enclosed at Appendix C. The entire balance of the £18,000 was paid on completion and is showing at the receipts and payments account.

## 5 EVENTS FOLLOWING THE JOINT ADMINISTRATORS' APPOINTMENT

### Sale of Business

- 5.1 Prior to and upon appointment, the proposed Administrators investigated the possibility of concluding a sale of what remained of the business and assets as it was considered that a sale of all or part of the business as a going concern would allow the following:
- A pre-packaged sale could ultimately improve net realisations of the Company's assets as a higher value could be achieved by a sale of the assets in situ rather than by a piecemeal sale of the assets ex situ or a forced sale at auction. An in situ sale of the assets was therefore considered to benefit the overall creditor position;
  - An Administration procedure would serve to enhance recoveries under the debtor ledger given the uncertainties facing the Company due to the outstanding winding up petition; and
  - The overall costs of the Administration process would be reduced as there would be no requirement for the Administrators to trade the Company which would have likely incurred additional costs.
- 5.2 Given all of the above, it was considered that Administration utilising a pre-packaged sale provided the best prospect of achieving the best outcome for the secured creditor.
- 5.3 As a result, an Accelerated Merger and Acquisition ("AMA") process was conducted prior to the Joint Administrators' appointment which included marketing the business for sale from 25 July 2018. The advertisement remained active for a period of 16 days, until the appointment of the Joint Administrators and conclusion of the sale. The business was marketed on the website of independent RICS agents and valuers, Auctus Limited t/a Charles Taylor and Cerberus Asset Management ("CAM").
- 5.4 On 27 July 2018, an offer of £18,000 plus VAT was made by Mr Johnston to the proposed Administrators to acquire the Company's assets. The offer did not include the transfer of the remaining business and was conditional upon the Company's employees being made redundant.
- 5.5 CAM carried out valuations of the Company's assets including plant and machinery, office furniture and equipment, and stock.
- 5.6 No other expressions of interest were received.
- 5.7 Following advice from CAM, this offer was accepted and the business sale was concluded on 9 August 2018. The sale was completed by way of an invoice and supplementary conditions of sale.
- 5.8 The consideration was apportioned under the sale as follows:

Category of Asset	£
<b>Assets Specifically Pledged</b>	
Customer Database	500
<b>Assets Not Specifically Pledged</b>	
Plant & Machinery	1,000
Office Furniture and Equipment	1,000
Stock	15,500
<b>TOTAL</b>	<b>18,000</b>

## Agency Lighting Limited - In Administration

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- 5.9 The entire balance of the consideration was paid on completion.
- 5.10 The sale specifically excluded the book debts and cash at bank.
- 5.11 The Purchaser is also the landlord of the Company's trading premises. The Joint Administrators were not, therefore required to grant a license to occupy.
- 5.12 There are no other terms of the sale that could materially affect the asset consideration.
- 5.13 The Purchaser sought separate legal advice in relation to the purchase.
- 5.14 There are no buy-back arrangements or similar conditions attached to the contract of sale nor is it part of a wider transaction.
- 5.15 The sale was conducted on an 'asset only' basis and did not include a transfer of the Company's employees under TUPE. The staff were made redundant with effect from the date of Administration.
- 5.16 The Purchaser was a consultant with the Company and a former director, having resigned on 22 December 2017. It is therefore considered that the Purchaser is a connected person within the definition of Section 249 of the Act.
- 5.17 We are not aware of any personal guarantees having been given by the director.
- 5.18 Following the completion of the pre-packaged sale of the Company's business and assets, the Joint Administrators sent a letter to creditors on 15 August 2018 to provide further information on the sale pursuant to the requirements of Statement of Insolvency Practice 16. A copy of the information provided is attached at Appendix J.

### **Book Debts**

- 5.19 Aldermore has confirmed that the Company's gross debtor ledger as at 9 August 2018 was £162,864 of which Aldermore had approved £110,518 for funding. The Company's capital indebtedness to Aldermore totals £126,864.
- 5.20 The figures above do not include any termination or collection charges which Aldermore may be entitled to levy under the terms of their security.
- 5.21 The Company's debtor ledger has been excluded from the sale of the Company's assets and Aldermore will undertake a collection of the outstanding debts under the terms of their fixed charge.
- 5.22 In accordance with the provisions of Statement of Insolvency Practice 16 ("SIP 16"), when a pre-packaged sale has been undertaken, the Administrator should seek any requisite approval of the Proposals as soon as practicable after appointment and the Proposals should be sent with the notification of the sale. If the Administrator has been unable to meet this requirement the Proposals should include an explanation for the delay.
- 5.23 The Joint Administrators did not issue their Proposals together with the notification of the sale as time was required to assess the ledger and to monitor collections to give an indication of the quantum of any surplus.
- 5.24 Aldermore have confirmed that a significant number of the Company's debtors have demonstrated that funds have been remitted to the Company's bank account, which was frozen prior to the appointment of the Joint Administrators. In addition, they have received cash payments totalling £27,072.23.
- 5.25 We currently anticipate that Aldermore will collect sufficient funds to discharge the Company's capital indebtedness.

## Agency Lighting Limited - In Administration

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- 5.26 The Joint Administrators will monitor Aldermore's collection process and arrange for the collection of any surplus which may arise in due course.
- 5.27 In the circumstances, a valuation of the ledger has not been obtained and the Joint Administrators will instruct agents in respect of any residual ledger should the need arise.

### Cash at Bank

- 5.28 The Joint Administrators have requested that all funds held by the Company's bankers, Barclays Bank Plc, be remitted to the Administration estate, and that copies of the Company's bank statements be provided.
- 5.29 The Company's cash at bank will need to be scrutinised to ensure that any sums relating to Company debtors subject to Aldermore's security are credited to Aldermore as appropriate.
- 5.30 A further update will be provide in our next report.

### Professional Advisors Used

- 5.31 On this assignment the Joint Administrators have used the professional advisors listed below.

Name of Professional Advisor	Service Provided	Basis of Fees
CAM	Asset valuation advice	Time costs
Insol Group (HR) Limited ("Insol")	Handling of employee claims	Fixed fee
CDGM Limited t/a Cerberus Receivables Management ("CRM")	Debt Collection	% of realisations
Consultium Property Limited ("CAPA")	Non-Domestic Business Rates Refunds	25% of any successful refund from the Local Authority

### CAM

- 5.32 CAM have a number of years' experience in managing asset sales and have extensive sector specific product knowledge. It specialises in asset valuation, security, removal and disposal and is supported by a team of RICS registered professionals. CAM has a nationwide presence and a significant and longstanding history of assisting insolvency practitioners with business and asset sales.
- 5.33 The Joint Administrators considered that to instruct CAM would result in a better outcome for creditors given its substantial expertise in managing asset sales.
- 5.34 CAM provided valuation advice in respect of the office furniture, plant & machinery and stock.

### Insol

- 5.35 Insol provides Employments Rights Act services to the Insolvency Sector. Insol has been instructed to assist in handling the relevant employees' claims to the Redundancy Payments Office in respect of unpaid wages and to liaise with employees as necessary.
- 5.36 This work has been sub-contracted out by the Joint Administrators as the extensive knowledge Insol has ensures employees claims are dealt with as quickly and efficiently as possible.

### CRM

- 5.37 It is anticipated that the Joint Administrators will instruct CRM to assist with the collection of the Company's residual debtor ledger, after Aldermore have concluded their collection of the ledger.

- 5.38 CRM provides specialist advice and solutions in the recovery and realisation of distressed debt for insolvency practitioners, asset based lenders and small to medium sized enterprises. CRM has substantial expertise in debt recovery.
- 5.39 It is anticipated CRM will be remunerated on a percentage of any realisations they achieve from the Company's ledger.

**CAPA**

- 5.40 CAPA forensically analyses and interrogates property outgoings and accounts payable data to highlight potential errors which may result in refunds from the Local Authority in relation to non-domestic business rates. CAPA has a number of years' experience conducting property audits for Insolvency Practitioners. CAPA has been instructed to perform an audit and investigation of non-domestic business rates in properties previously occupied by the Company.
- 5.41 Details of this firm's policy regarding the choice of advisors and the basis for their fees are given in Appendix H.

**6 ACHIEVING THE PURPOSE OF ADMINISTRATION**

- 6.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
- (a) Rescuing the Company as a going concern, or (if this cannot be achieved);
  - (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved);
  - (c) Realising property in order to make a distribution to one or more secured or preferential creditors.
- 6.2 The first objective is not capable of being achieved given the extent of historic liabilities, and a going concern sale of the business and assets of the Company could not be achieved.
- 6.3 The second objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration). It is considered that this objective is unlikely to be achieved as there is little prospect of a dividend to unsecured creditors, other than by way of a distribution of the prescribed part.
- 6.4 The third objective is to realise property in order to make a distribution to secured and preferential creditors, and this is the objective that we will be achieving in the Administration. Realisation of the Company's debtor ledger will enable a distribution to be made to Aldermore under the terms of its fixed charge security.

**7 JOINT ADMINISTRATORS' PROPOSALS AND EXIT ROUTE**

- 7.1 The Joint Administrators' Proposals for achieving the objective of Administration are attached at Appendix A.
- 7.2 Ordinarily the Joint Administrators would seek a decision from the Company's creditors as to whether they approve the Proposals. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, there is no requirement to seek such a decision from creditors.
- 7.3 Creditors whose debts amount to at least 10% of the total debts of the Company may however request the administrators to seek a decision from the Company's creditors as to whether they approve the Proposals. Such a request must be delivered to the administrators within 8 business days of the date on which this report was delivered. The deemed date of delivery of this report is given on the front page of this report. Please note that security must be given for the costs of convening the requisitioned decision.



- 7.4 If such a decision is requisitioned, creditors will again be invited to consider the appointment of a creditors' committee and to vote on the Joint Administrators' Proposals as set out at Appendix A.
- 7.5 In the event that no such request is received, the Proposals will be deemed to have been approved in accordance with Rule 3.38(4) of the Insolvency (England and Wales) Rules 2016 ("the Rules"). Where this is the case, notification of the date on which the Proposals were deemed to have been approved will be given to creditors as soon as reasonably practicable after the expiry of the period for requisitioning a decision referred to in 1.5 above.
- 7.6 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of asset realisations.
- 7.7 Once the Administration has been finalised, and if there are insufficient funds available to allow a distribution to unsecured creditors, the Joint Administrators will file a Notice with the Registrar of Companies that the Company be dissolved. Alternatively, if there are assets still to be realised or investigations concluded but there will be no return to unsecured creditors, the Company may be placed into Compulsory Liquidation.

## **8 EXTENSION OF ADMINISTRATION**

- 8.1 The appointment of administrators ordinarily ceases to have effect at the end of the period of one year from the date of their appointment.
- 8.2 In certain circumstances it may be necessary to extend the Administrators' term of office. In the circumstances of this case, this may be done for a specified period not exceeding twelve months with the consent of Aldermore, the secured creditor of the Company.
- 8.3 At this stage, it is not considered that an extension will be required in this case, but the appropriate body of creditors would be contacted should an extension be required.

## **9 PRE-ADMINISTRATION COSTS**

- 9.1 Pre-administration costs are defined as:

- Fees charged; and
- Expenses incurred

by the Administrator, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so). "Unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.

- 9.2 Time charged and expenses incurred by the Joint Administrators and their agents and solicitors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
LC	Please see below	15,591.50	-	-	15,591.50
CAM	Please see below	2,000.00	-	-	2,000.00
	<b>Total</b>	<b>17,591.50</b>	<b>-</b>	<b>-</b>	<b>17,591.50</b>

**Work undertaken by LC**

- 9.3 In the period prior to administration, LC provided insolvency advice to the Company and carried out an assessment of the Company's financial position with a view to establishing the appropriate insolvency procedure for the Company.
- 9.4 The Joint Administrators evaluated the Company's financial position and advised that unless a significant injection of capital was introduced in the short term, in order to alleviate creditor pressure, the Company would have to consider whether trading could continue given the insolvent position of the Company.
- 9.5 Subsequently, it was advised that administration was the most suitable form of insolvency and the Joint Administrators assisted with formulating an administration strategy. The work undertaken included but was not limited to:
- Advising the Company on which insolvency process would be most appropriate;
  - Dealing with all formalities relating to the appointment of Administrators;
  - Advising the Company on the financial control and supervision of the business between the date of our engagement and the date of the appointment of Administrators;
  - Advising the Company on whether an early sale of the Company's business and trading assets would be likely to be in the interests of creditors;
  - Preparing and reviewing the optimal insolvency strategy, and liaising with the Director and Aldermore in regard to the strategy for the Administration;
  - Reviewing the valuation of the Company's assets prepared by independent agents, CAM;
  - Considering the advice received from CAM in respect of the best strategy to market the business and assets to maximise net realisations;
  - Obtaining the Company's relevant financial information and processing the same;
  - Marketing the business for sale;
  - Negotiating with the Purchaser in regard to the sale of the Company's assets;
  - Filing the appointment documentation in Court;
  - Preparing the sales agreement and terms of consideration;
  - Monitoring the position of any enforcement action by the Company's creditors;
  - Discussing the requirements to undertake a distressed sale of the business; and
  - Consideration of the optimal insolvency process to maximise asset realisations for the benefit of creditors.
- 9.6 Enclosed at Appendix D is an analysis of the Joint Administrators' pre-administration costs. The analysis shows that total pre-administration time costs of £15,591.50 have been incurred which represents 45.3 hours at a rate of £344.18 per hour.

**Work conducted by CAM**

- 9.7 CAM was formally instructed to provide a valuation of all of the Company's physical assets on 1 August 2018, further to verbal instruction on 25 July 2018, and to provide advice on the best strategy for the disposal of the Company's assets. The work carried out included:
- Preparing an inventory of the physical assets;
  - Asset valuation advice;
  - Marketing of the Company's assets;
  - Liaising with potentially interested parties; and
  - Advising and reporting to the proposed Administrators on expressions of interest and advice in relation to an offer from the Purchasers.
- 9.8 It is proposed that CAM be paid a fee of £2,000 plus VAT for this work.

- 9.9 The payment of unpaid pre-administration costs (set out above) as an expense of the Administration is subject to the approval of the appropriate class of creditors, separately to the approval of the Administrators' Proposals. In this case, the Joint Administrators are required to seek the approval of the secured creditors to this resolution.

## 10 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

### General

- 10.1 The basis of the Joint Administrators' remuneration may be fixed either as a percentage of the value with which they have to deal ('a percentage basis'), as a set amount, or by reference to the time properly given by the Joint Administrators and their staff in attending to matters as set out in a Fees Estimate. A combination of these bases may be fixed, with different bases being fixed in respect of different things done by the Joint Administrators. Additionally, where a percentage basis is fixed, different percentages may be fixed in respect of different things done by the Joint Administrators.

### Approval by appropriate body

- 10.2 The Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors. In such circumstances, responsibility for approving the basis of the Joint Administrators' remuneration lies with the Creditors' Committee (if there is one); or if none (or the Committee does not make the requisite determination): each secured creditor of the Company; or where the Joint Administrators intend to make a distribution to preferential creditors: each secured creditor of the Company and a decision of the preferential creditors.
- 10.3 In the absence of a Creditors' Committee being established in this case, approval will be sought from the secured creditor and the outcome will be reported to all creditors in due course.

### Information to be given to creditors

- 10.4 The Joint Administrators wish, in this case, to seek the secured creditors' agreement to their remuneration being fixed by reference to the time properly given by them and their staff in attending to matters as set out in a Fees Estimate. Prior to seeking approval of this basis, the Joint Administrators are required to provide all known creditors with their Fees Estimate and details of the expenses that they consider will be, or are likely to be, incurred during the administration ("Statement of Likely Expenses").

### The Fees Estimate

- 10.5 The Joint Administrators' Fees Estimate for the whole of the Administration is set out at Appendix E. It includes the following:
- Details of the work that the Joint Administrators and their staff propose to undertake;
  - The hourly rate or rates that the Joint Administrators and their staff propose to use; and
  - The time that the Joint Administrators anticipate that each part of the work will take.

Details of the Joint Administrators' time costs to date have also been included for comparison purposes. In summary, time costs of £8,994.50 have been incurred to 31 August 2018, the last date to which time has been uploaded, which represents 34.8 hours at an average rate of £258.46 per hour.

- 10.6 The total amount of time costs as set out in the Fees Estimate is £49,297. Once approved by the appropriate body of creditors, the remuneration drawn by the Joint Administrators must not exceed this total amount without prior approval. It should be noted that in some instances payment of these costs will be limited to the amount of realisations available in the administration.

- 10.7 The Fees Estimate is based upon information currently available to the Joint Administrators. Based upon this information, the Joint Administrators do not anticipate that the Fees Estimate will be exceeded. However should information come to light during the course of the administration which means that the Joint Administrators will be required to undertake work not envisaged at the time that the Fees Estimate was provided, it may be necessary for the Joint Administrators to revert to secured creditor for further approval.
- 10.8 Details of the firm's charge-out rates and policy regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix H.
- 10.9 Further guidance may be found in "A Creditors' Guide to Administrators' Fees" which may be downloaded using the following link:  
<https://www.r3.org.uk/what-we-do/publications/professional/fees>
- If you would prefer this to be sent to you in hard copy please email [recovery@leonardcurtis.co.uk](mailto:recovery@leonardcurtis.co.uk) or contact Robert Barker of this office on 0113 323 8890.

#### **Statement of Likely Expenses**

- 10.10 The Joint Administrators' Statement of Likely Expenses is set out for creditor information at Appendix F. To assist creditors' understanding of this information, it has been separated into the following categories:
- (i) Standard Expenses: this category includes expenses payable by virtue of the nature of the Administration process and / or payable in order to comply with legal or regulatory requirements.
  - (ii) Case Specific Expenses: this category includes expenses likely to be payable by the Joint Administrators in carrying out their duties in dealing with issues arising in this particular case. Also included within this category are costs that are directly referable to the administration but are not paid to an independent third party (and which may include an element of allocated costs). These are known as "Category 2 disbursements" and they may not be drawn without the approval of the secured creditor in the same way as fees and the secured creditor will be contacted directly in this respect. The basis of the calculation of their recharge is detailed in Appendix H.

#### **Further Updates**

- 10.11 The Joint Administrators will provide creditors with an indication of whether the remuneration anticipated to be charged by them is likely to exceed the Fees Estimate, and if so the reasons for this, in their subsequent reports. Information will also be provided in subsequent reports on whether the expenditure detailed in the Statement of Likely Expenses has been or is likely to be exceeded and the reasons why.

### **11 ESTIMATED OUTCOME FOR CREDITORS**

- 11.1 In order to assist the various classes of creditors in assessing the quantum of any dividend which may or may not be payable to them, we have produced an Estimated Outcome Statement. This is attached at Appendix G.
- 11.2 The Estimated Outcome Statement assumes the following:
- a) That asset realisations are in line with those estimated at Appendix B;
  - b) That the Joint Administrators' fees estimate (as detailed at Appendix E) is approved and is not exceeded; and
  - c) That the expenses of the administration are as set out in the Statement of Likely Expenses at Appendix F and are not exceeded.
- 11.3 In summary:
- Secured creditors – We anticipate that Aldermore will receive a distribution from book debt realisations subject to their fixed charge.

- Preferential creditors – After allowing for the costs and expenses of the Administration, we do not anticipate there will be any return to the Company's preferential creditors.
- Unsecured creditors – After allowing for the costs and expenses of the Administration, we do not anticipate there will be any return to the Company's unsecured creditors. In particular, we do not anticipate the prescribed part will arise in this matter as we do not anticipate any distribution will be made to Aldermore under its floating charge.

## **12 RELEASE OF ADMINISTRATORS FROM LIABILITY**

- 12.1 As soon as all outstanding matters in the Administration have been attended to it is anticipated that we will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically to dissolution.
- 12.2 The appointment of the Joint Administrators will cease as soon as this notice is issued.
- 12.3 It is ordinarily for the creditors to fix the date upon which the Joint Administrators are discharged from liability in respect of any action of theirs during the Administration. However, as it is considered that there is little prospect of a dividend to unsecured creditors in this case, we are required to obtain approval to this resolution from the secured creditor. The appropriate class of creditor will be contacted directly in this respect.

## **13 CONCLUSION**

- 13.1 It is important that you give careful attention to this report and its Appendices.
- 13.2 Creditors will be advised of the outcome on the deemed approval of the Proposals in due course.

Should you have any queries or require any further clarification please contact Robert Barker at my office, **in writing**. Electronic communications should also include a full postal address.

Yours faithfully  
For and on behalf of  
**AGENCY LIGHTING LIMITED**



**SEAN WILLIAMS**  
**JOINT ADMINISTRATOR**

Sean Williams is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 11270 and Phil Deyes is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants in England and Wales under office holder number 9089

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS**

It is proposed that:

1. The Joint Administrators continue to manage the business, affairs and property of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration.
2. If appropriate, the Joint Administrators take any action they consider necessary with a view to the approval of a Company Voluntary Arrangement ("CVA") or Scheme of Arrangement in relation to the Company.
3. If appropriate, the Joint Administrators file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation. It is further proposed that Sean Williams and/or Phil Deyes be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them. NB. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved.
4. Alternatively, if appropriate, the Joint Administrators apply to Court under Para 65 (3) of Schedule B1 to the Insolvency Act 1986 (as amended) for permission to make a distribution to the unsecured creditors within the Administration.
5. In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Joint Administrators file a Notice with the Registrar of Companies that the Company should be dissolved.
6. The Joint Administrators investigate and, if appropriate, pursue any claims that they or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company.
7. The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Sean Williams and/or Phil Deyes be appointed (Joint) Liquidator(s) of the Company and that where Joint Liquidators are proposed any act required or authorised to be done by the Joint Liquidators may be exercised by both or either of them.
8. The Joint Administrators shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.

## APPENDIX B

## ESTIMATED FINANCIAL POSITION AS AT 9 AUGUST 2018

	Notes	Book value £	In Administration £
<b>Assets specifically pledged</b>			
Book Debts	1	162,864	130,291
Customer Database	2	-	500
less: Aldermore	3	(126,864)	(126,864)
<b>Surplus as regards fixed charge holder</b>		<u>36,000</u>	<u>3,927</u>
<b>Assets not specifically pledged</b>			
Surplus from fixed charge holder		36,000	3,927
Plant & Machinery	4	8,304	1,000
Office Furniture and Equipment	5	-	1,000
Stock	6	90,000	15,500
		<u>134,304</u>	<u>21,427</u>
Estimated Costs	7	-	(21,427)
		<u>134,304</u>	<u>-</u>
Preferential creditors	8	-	(9,080)
<b>Net property available for prescribed part</b>		<u>134,304</u>	<u>(9,080)</u>
<b>Prescribed part calculation</b>	9	N/A	-
<b>Available for floating charge creditor</b>			(9,080)
Aldermore b/d	3	-	-
<b>Surplus/(Deficit) as regards floating charge holder</b>		<u>134,304</u>	<u>(9,080)</u>
<b>Add back prescribed part</b>	9	-	-
<b>Available for unsecured creditors</b>		<u>134,304</u>	<u>(9,080)</u>
<b>Unsecured creditors</b>			
H M Revenue & Customs – VAT / PAYE / NI	10	(6,547)	(6,547)
Employee Claims	11	-	(20,765)
Trade and expense creditors	12	(221,465)	(221,465)
<b>Total value of unsecured creditors</b>		<u>(228,012)</u>	<u>(248,777)</u>
<b>Estimated deficiency as regards unsecured creditors</b>		<u>(93,708)</u>	<u>(248,777)</u>

## NOTES TO THE ESTIMATED FINANCIAL POSITION

All book values have been taken from the Company's latest financial information or from valuations obtained upon administration by independent valuers.

### 1. Book Debts

*Aldermore have confirmed that the Company's gross Debtor Ledger as at 9 August 2018 was £162,864 of which Aldermore had approved £110,518 for funding.*

The Company's debtor ledger has been excluded from the sale of the Company's assets and Aldermore will undertake a collection of the outstanding debts under the terms of their fixed charge. The Joint Administrators will monitor this process and arrange for the collection of any surplus which may arise in due course.

For the purpose of the Estimated Financial Position, a provision of 20% in respect of bad debts has been applied to the Company's ledger.

### 2. Customer Database

No value was provided in respect of the Customer Database in the Company's accounts as at 30 September 2017.

CAM recommended acceptance of the Purchaser's offer of £500 for this category of asset as it provided a mechanism to achieve a value for the Customer Database which would otherwise be unavailable. In addition, CAM also noted no other competing offer was made for this asset.

### 3. Aldermore

The Company's capital indebtedness to Aldermore totals £126,864.

Please note that the above figure does not include any termination or collection charges which Aldermore may be entitled to levy under the terms of their security.

### 4. Plant & Machinery

The Company's accounts as at 30 September 2017 valued the Plant & Machinery at £8,304. CAM provided a valuation of between £350 and £2,500 in respect of this category of asset.

The Purchaser offered £1,000 plus VAT in respect of these assets.

### 5. Office Furniture and Equipment

No value was attributed to Office Furniture in the Company's accounts as at 30 September 2017. CAM provided a valuation of between £400 and £1,500 for this category of asset.

The Purchaser offered £1,000 plus VAT in respect of these assets.

### 6. Stock

CAM provided a book value of the Stock held of £90,000 as at the date of their review. Their valuation of stock was between £3,000 to £50,000 on an ex-situ and in-situ basis respectively.

The Purchaser offered £15,500 plus VAT in respect of this asset.

As part of the stock appraisal, CAM investigated the percentages of the stock which were fast moving, slow moving and obsolete.



In arriving at their in-situ valuation of £50,000, CAM considered the following:

- The valuation reflected the marriage value between the various pieces and categories of stock if sold as a complete parcel ("the Package");
- It reflected the entire value of the Package being sold with the goods laid out on shelves with the benefit of being clearly visible and indexed ready for picking;
- Any purchaser would also be free from any inconvenience of wrapping, packing, shipping and then unpacking and sorting the goods at a delivery destination; and
- Any in situ purchaser would be inclined to apportion value to slow moving and obsolete stock, given that it would be accessible and could be realised in more creative ways, such as sales to foreign countries where stock still has relevance.

*In an ex-situ scenario, slow and obsolete items would be far less desirable, or even hold no value, as costs of removal and sorting of the Package could equal or exceed the restricted realisation borne out of any achievable sales (such as to users or wholesalers in developing countries). Any purchaser would also incur costs of wrapping, packing, shipping and then unpacking.*

In this matter, a significant quantum of the Company's stock was identified as slow and obsolete, hence the significant disparity between the in and ex situ values provided by CAM.

### **7. Estimated Costs**

The costs of the Administration are anticipated to exceed realisations. The Fees Estimate included at Appendix E is indicative of the likely costs that will be incurred in dealing with the Company's affairs. We do not anticipate that asset realisations will be sufficient to enable full payment of these costs.

### **8. Preferential Creditors**

For the purposes of this report Insol have advised that they estimate preferential creditor claims in respect of arrears of wages and unpaid holiday pay of £9,079.52 will arise. Further information will be provided in our next report to creditors.

### **9. Prescribed Part**

The prescribed part will not apply in this matter, as we do not anticipate any distribution will be made to Aldermore under its floating charge security.

### **10. H M Revenue & Customs – VAT / PAYE / NI**

This figure has been extracted from the Company's records and should not be treated as an agreed amount.

### **11. Employee Claims**

For the purposes of this report Insol have advised that they estimate employee claims in respect of redundancy pay, pay in lieu of notice, and any balance of arrears of wages that will constitute an unsecured claim within the administration, will total £20,764.70.

These claims have arisen as a result of the Company's staff being made redundant and the Company ceasing to trade.

### **12. Trade and expense creditors**

This figure has been extracted from the Company's records and should not be treated as an agreed amount.

## APPENDIX B (CONTINUED)

## CREDITORS LIST FOR THE ESTIMATED FINANCIAL POSITION

NAME	ADDRESS	SLOUGH	BERKSHIRE	SL1 3SA	DETAILS OF		DATE OF	VALUE OF
					AMOUNT OF	SECURITY HELD		
					DEBT £		SECURITY	SECURITY
1&1 INTERNET LTD 123 Reg Admore Bank Plc	AQUASULIS HOUSE The Shipping Building 1st Floor, Block B	10-14 BATH ROAD Old Vinyl Factory Western House	Hayes Peterborough	Middlesex PE2 6FZ	50.34 47.96 126,864.00	- - Debiture creating a fixed and floating charge	- - 22/12/2017	- - All Monies
APLAMPs	8 Hanbury Road	Chelmsford		CM1 3AE	5,652.24			-
BEI Lighting	Wyndham Close	Bridgend		CF31 2AN	53,535.74			-
BEI Lighting	Unit 3	Merton Abbey Mills	Watermill Way	London SW19	85.68			-
BG Electronics	Stafford Park 1	Shropshire		TF3 3BD	290.29			-
BLV	Argyll House	West Lothian		EH54 6AX	42.75			-
C.P. Lighting	unit 25 red lion road business centre	subtun , surrey		KT6 7QD	188.15			-
Cartridge World	10 Speedwell Glade	Harrogate		HG3 2HE	63.75			-
Classic Carriers Ltd - T/A YDL	Yorkshire House	Whitwell	North Yorkshire	YO26 7JX	565.85			-
Covershield (COVER)	10 Heaton Bridge	Omskirk	York	L40 8JG	49.12			-
CPI Corporate Solutions Ltd	1 First Avenue	Sherburn		LS25 8PD	66.90			-
Crompton Lamps Ltd	Unit 2 Martree Business Park	Bradford		BD4 8QE	1.50			-
Crompton Lamps Ltd	Unit 2 Martree Business Park	Bradford		BD4 8QE	233.70			-
DIGITAL MEDIA	22 Bower Road	Harrogate		HG1 5BW	67.50			-
eBay Europe S a r l	5 New Street Square	London	N Yorks	EC4A 3TW	59.76			-
EMCO	6-10 Marsh Gate Drive	Herford		SG13 7JY	-149.09			-
Enterprise Rent-A-Car	Enterprise RAC UK Ltd	Unit 1A Seacroft Ind Est		LS14 2AQ	937.48			-
FEDEX	FEDEX UK	Park house east industrial estate		ST5 7RB	727.67			-
Felo Sylvania UK Ltd	Avis Way	Newcastle	Staffordshire	BN9 0ED	18,369.45			-
Felo Sylvania UK Ltd	Avis Way	Newhaven	England	BN9 0ED	296.26			-
FIRST DATA MERCHANT SERVICES	The Mound	East Sussex	England	EH1 1YZ	-18.84			-
G&E Lighting	PO BOX 12	SHEFFIELD	Edinburgh		1,462.68			-
General Lamps Ltd	Unit 11 a	S98 1AU	High Wycombe	HP14 3BY	361.98			-

## APPENDIX B (Continued)

NAME	ADDRESS	AMOUNT OF DEBT £	DETAILS OF SECURITY HELD			DATE OF SECURITY	VALUE OF SECURITY
Gilbeck Associates Ltd	Flockton House	240.00	LS22 7FD	Wetherby		-	-
H M Revenue & Customs	Enforcement and Insolvency	6,546.58	BN12 4SE	Barrington Road	Worthing	-	-
HARROGATE COUNCIL	Civic Centre	6,804.00	HG1 2AE	Harrogate		-	-
Holcot Fluoroplastics Ltd	Alma Park Road,	3,655.20	NG31 9SE	Grantham	Lincs	-	-
Integral LED	Unit 6 Iron Bridge Close	112.14	NW10 0UF	London		-	-
INTERLINK EXPRESS PARCELS LTD	15TH FLOOR	2,784.79	BS1 3AG	LOWER CASTLE STREET	BRISTOL	-	-
Its Clean Limited	Unit 16, Claro Court Business Centre	78.00	HG1 4BA	Harrogate	North Yorkshire	-	-
LED SAVE	2 Ebor Court	504.00	DN22 7WF	Reford	Notts	-	-
LITEPLAN	Apex house	61.20	RM3 0AP	Romford	Essex	-	-
Mackwell Electronics	Vigo Place	262.96	WS9 8UG	West Midlands		-	-
Marwood Electrical	Maldstone Road	9,286.08	TN12 6DR			-	-
MINISUN TRADE	UNITS L1, L2 & L3	238.18	M30 9QG	MANCHESTER		-	-
ML ACCESSORIES LTD	Unit 4 Foster Avenue	1,085.28	LU5 5TA	Dunstable	Bedfordshire	-	-
NEOPOST	Neopost House	551.10	RM1 2AR	Romford	Essex	-	-
Northmoor & Handon	Northmoor House	7.63	CF15 9XF	Cardiff		-	-
One Electrical	Bankfield Road	337.50	M29 8QH	Manchester		-	-
One Lux	3 Merchants Park	7,155.02	WS8 8SW	Aldridge		-	-
Optonika UK Ltd	Unit 1, Valmedia Court	657.04	WF6 1ZD	Ripley Drive	Normanton	-	-
OVER THE WEB	22 Bower Road	44.41	HG1 5BW	Harrogate		-	-

10 September 2018

APPENDIX C

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS FROM  
9 AUGUST 2018 TO 10 SEPTEMBER 2018**

	<b>Estimated Financial Position £</b>	<b>Aldermore received to date £</b>	<b>Joint Administrators received to date £</b>	<b>Cumulative £</b>
<b>RECEIPTS</b>				
<b>Assets Specifically Pledged</b>				
Book Debts	130,291.00	27,072.23	-	27,072.23
Customer Database	500.00	-	500.00	500.00
<b>Assets Not Specifically Pledged</b>				
Plant & Machinery	1,000.00	-	1,000.00	1,000.00
Office Furniture & Equipment	1,000.00	-	1,000.00	1,000.00
Stock	15,500.00	-	15,500.00	15,500.00
	<u>148,291.00</u>	<u>27,072.23</u>	<u>18,000.00</u>	<u>45,072.23</u>
<b>PAYMENTS</b>				
None		-	-	-
<b>DISTRIBUTIONS</b>				
Secured Creditor - Aldermore		<u>(27,072.23)</u>	<u>-</u>	<u>(27,072.23)</u>
<b>BALANCE IN HAND</b>		<u>-</u>	<u>18,000.00</u>	<u>18,000.00</u>

**Note:** The funds received to date by the Joint Administrators are held by Leonard Curtis Legal, the Joint Administrators solicitors. They will be transferred to the estate account shortly.

APPENDIX D

SUMMARY OF JOINT ADMINISTRATORS PRE-ADMINISTRATION COSTS

	Total Units No.	Total Cost £	Average Hourly Rate £
Strategy & purpose evaluation	44	1,669.00	379.32
Preparation of documents	205	5,790.50	282.46
Chargeholder	17	765.00	450.00
Legal Services	187	7,367.00	393.96
Total	453	15,591.50	
Average Hourly Rate (£)		344.18	
All Units are 6 minutes			

## DETAILED ANALYSIS OF PRE-ADMINISTRATION COSTS

### Strategy & Purpose Evaluation

Time recorded to this category of work has involved the following:

- Communicating with the Director regarding the outstanding Winding Up Petition;
- Internal case strategy;
- Reviewing the proposed sale documentation; and
- Reviewing drafted documents for issue.

### Preparation of Documents

Time recorded to this category of work has involved the following:

- Initial case set up, including searches, ethical considerations and anti-money laundering provisions;
- Correspondence with the Director, Purchaser, and the Company's former accountants;
- Reviewing Company records and requesting outstanding information required to progress the Administration;
- Drafting a report to creditors in accordance with the provisions of Statement of Insolvency Practice 16;
- Progressing the sale of the Company's assets; and
- Undertaking internal compliance and updating case checklists.

### Chargeholder

Time recorded to this category of work relate to correspondence with Aldermore, providing them with updates on the progress of the proposed sale of the assets of the Company and requesting updates on the progress of debtor collections.

### Legal Services

Time recorded to this category of work has involved the following:

- Taking initial case instructions, case set up and ethical checks;
- Liaising with the Director and Aldermore regarding the appointment of Administrators under Aldermore's Qualifying Floating Charge;
- Considering whether the legal costs of the petition creditor rank as an expense of the Administration;
- Liaising with the petitioning creditors solicitors regarding delaying the advertisement of the Winding Up Petition;
- Liaising with Aldermore regarding a deed of release;
- Drafting the terms of the proposed sale agreement and liaising with the Purchaser;
- Preparing appointment documentation;
- Liaising with the Purchaser's solicitors;
- Liaising with the Joint Administrators and their staff;
- Confirming receipt of the Purchaser's completion funds;
- Undertaking relevant pre appointment checks; and
- Filing the Notice of Appointment of An Administrator at Court.

## JOINT ADMINISTRATORS' FEES ESTIMATE INCORPORATING TIME INCURRED TO 31 AUGUST 2018

	FEES ESTIMATE			TIME INCURRED TO 31 AUGUST 2018		
	Units No.	Cost £	Average Hourly Rate £	Units No.	Cost £	Average Hourly Rate £
Statutory & Review	209	6,486.50	310.36	6	180.00	300.00
Receipts & Payments	109	2,779.50	255.00	-	-	-
Insurance	24	713.00	297.08	-	-	-
Assets	211	7,792.50	369.31	25	650.00	260.00
Liabilities	218	6,964.50	319.47	84	2,184.00	260.00
Landlords	83	3,034.00	365.54	-	-	-
Debenture Holder	50	1,661.50	332.30	-	-	-
General Administration	127	3,601.00	283.54	14	396.00	282.86
Appointment	101	2,993.50	296.39	69	1,684.50	244.13
Planning & Strategy	42	1,499.50	357.02	-	-	-
Post Appointment Creds Mtngs	151	4,944.00	327.42	61	1,586.00	260.00
Investigations	112	3,707.50	331.03	3	78.00	260.00
LEGAL SERV - Preparation	40	1,040.00	260.00	30	780.00	260.00
LEGAL SERV - Attendance	10	260.00	260.00	3	78.00	260.00
LEGAL SERV - In court	10	260.00	260.00	5	130.00	260.00
LEGAL SERV - Letter Out	35	910.00	260.00	31	806.00	260.00
LEGAL SERV - Tel Call	25	650.00	260.00	17	442.00	260.00
Total	1,557	49,297.00		348	8,994.50	
Average Hourly Rate (£)		316.62			258.46	
All Units are 6 minutes						



**APPENDIX E (CONTINUED)**

**JOINT ADMINISTRATORS' FEES ESTIMATE**

**DETAILS OF WORK PROPOSED TO BE UNDERTAKEN**

**Statutory and Review**

This category of activity encompasses work undertaken for both statutory and case management purposes. Whilst this work will not directly result in any monetary value for creditors, it will ensure that the case is managed efficiently and resourced appropriately, which will be of benefit to all creditors. The work to be carried out under this category will comprise the following:

- Case management reviews. These will be carried out periodically throughout the life of the case. In the early stages of the case this will involve weekly team meetings to discuss and agree case strategy and a month 1 review by the firm's Compliance team to ensure that all statutory and best practice matters have been dealt with appropriately. As the case progresses we will as a minimum carry out three monthly and six monthly reviews to ensure that the case is progressing as planned.
- Allocation of staff, management of staff, case resourcing and budgeting. This matter will primarily be dealt with by a Case Administrator and Manager, ultimately overseen by Directors of Leonard Curtis, including the Joint Administrators. Consideration will be given to tasks that are to be undertaken to ensure the work is discharged by staff with sufficient experience, skills and expertise, whilst also ensuring that where appropriate, more junior staff discharge the required work to ensure that time costs are mitigated where possible for the benefit of creditors. Whilst this work will not directly result in a return to creditors, effective management of staffing will ensure costs as a whole are reduced;
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9;
- Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice;
- The team is required under the Company Directors' Disqualification Act 1986 to review the Company's records and consider information provided by creditors on the conduct of the all directors involved in the Company during the three years leading up to the insolvency. This will result in the preparation and submission of statutory returns or reports on all directors to the Insolvency Service. Evidence of unfit conduct can result in directors being disqualified for periods of up to 15 years;
- Review of directors' sworn statement of affairs and filing of document at Companies House in accordance with statutory requirements;
- Completion of case closing procedures at the end of the case.

The following work has been undertaken:

- Reviewing time recorded to the case.

**Receipts and Payments**

This category of work will not result in a direct financial benefit for creditors. However, close monitoring of case bank accounts is essential to ensure that bank interest is maximised where possible, estate expenses are properly managed and kept to a minimum and amounts payable to creditors are identified and distributed promptly.

**Insurance, Bonding and Pensions**

*Insolvency Practitioners are obliged to comply with certain statutory requirements when conducting their cases. Some of these requirements are in place to protect company assets (see insurance and bonding matters below), whilst requirements in respect of company pension schemes are there to protect the pension funds of Company employees.*

## Agency Lighting Limited - In Administration

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Whilst there is no direct financial benefit to Company creditors in dealing with these, close control of case expenditure is crucial to delivering maximum returns to the appropriate class of creditor.

- Notification and progression of post-appointment insurance claims should any arise;
- Calculation and request of joint administrators' bond in accordance with the Insolvency Practitioners' Regulations 2005. A Bond is a legal requirement on all administrations and is essentially an insurance policy to protect creditors against the fraud or dishonesty of the Insolvency Practitioner. The bond is calculated by reference to the value of assets which are estimated before costs to be available to unsecured creditors;
- Periodic review of bonding requirements to ensure that creditors are appropriately protected. The bond is reviewed upon each large receipt of monies into the case and also at three month intervals in accordance with best practice.

### Assets

Time recorded to this category will typically include:

- Instruction of and liaising with agents as required; and
- Liaising with the Company's bankers in relation to pre-appointment bank accounts; and
- Monitoring debtor realisations.

Time has been incurred to date as follows:

- Monitoring the receipt of funds by Aldermore; and
- Reviewing Retention of Title Claims.

### Liabilities

This category of time includes both statutory and non-statutory matters.

#### *Statutory*

- Processing of claims from the Company's creditors. The Company has secured, preferential and unsecured creditors. Time has been expended in issuing Proof of Debt Forms and receiving creditor claims and it is anticipated further time will be expended taking receipt of claims and creditor queries regarding the overall progression of the Administration.
- Preparation, review and submission of pre-appointment tax and VAT returns, if considered appropriate, prior to any distribution to the Company's unsecured creditors ; and
- Preparation and submission of periodic progress reports to creditors. A report in accordance with the provisions of Statement of Insolvency Practice 16 has already been circulated to creditors and a 6 month and final report are also anticipated to be issued during the course of the Administration.

#### *Non-statutory*

- Dealing with enquiries from the Company's creditors

Time recorded to this category by the members of the case administration team has included:

- Preparing and distributing an initial letter to creditors detailing the pre-packaged sale of the Company's business and assets in accordance with Statement of Insolvency Practice 16. This letter was prepared by the case administrator and case manager. The letter was subsequently reviewed by senior members of staff including Directors and the Joint Administrators; and
- Issuing correspondence to the company's employee regarding their redundancy.

### **Landlords**

Time is likely to be incurred in respect of this category of work as follows:

- Review of current leases in respect of Company premises; and
- Liaising with landlords in respect of premises.

### **Debenture Holder**

Time is likely to be incurred in respect of this category of work as follows:

- Updating Aldermore on the progress of the Administration; and
- Reviewing the Company's indebtedness to Aldermore.

### **General Administration**

Time will generally be recorded by the case administrator to this category in conducting the following work:

- General planning matters;
- Setting up and maintaining the Administrators' records;
- Arranging collection and storage of company records; and
- Dealing with general correspondence and communicating with directors and shareholders.

### **Appointment**

- Consideration and review of the letter to creditors in accordance with the provisions of Statement of Insolvency Practice 16;
- Statutory notifications to creditors and other interested parties following the administrators' appointment;
- Preparation of case plan; and
- Formulation of case strategy, including recording of any strategic decisions.

### **Planning & Strategy**

Time is likely to be incurred in respect of this category of work as follows:

- Planning the overall strategy of the Company's Administration in the form of a case plan; and
- Reviewing progress against the case plan, and updating the plan as appropriate.

### **Post Appointment Creditors' Meetings**

- Preparation of Joint Administrators' Proposals for achieving a statutory purpose of the administration;
- Preparation of Fees Estimate and Statement of Expenses in accordance with Insolvency (Amendment) Rules 2015; and
- Convening a meeting by correspondence to agree Fees Estimate with the appropriate body of creditors;
- Reporting on outcome of voting.

Time has been spent to date in the preparation of the Joint Administrators Proposals.

### **Investigations**

- Collecting and reviewing the Company's records; and

## Agency Lighting Limited - In Administration

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- Conducting initial investigations into the Company's affairs/records to identify the possibility of further realisations and enable the submission of returns due under the Company Directors Disqualification Act 1986.

### Legal Services

Leonard Curtis Legal has been instructed to provide legal advice to the Joint Administrators, that majority of which has been concluded. The work undertaken to date is as follows:

#### Preparation

- Instructing Counsel to attend the hearing for the Winding Up Petition; and
- Reviewing Counsel's report and providing a summary to the Joint Administrators.

#### Attendance

- Liaising with the Joint Administrators staff and taking their instructions.

#### In Court

- Attendance at Court in respect of the Notice of Appointment of An Administrator.

#### Letter Out

- Advising the Joint Administrators that they have been appointed;
- Serving the Appointment documentation on the relevant parties;
- Obtaining a quote for Counsel and providing the quote to the Joint Administrators for agreement; and
- Providing information to Counsel for their attendance at Court.

#### Telephone Call

- Corresponding with Aldermore regarding the appointment of Administrators.

## JOINT ADMINISTRATORS' STATEMENT OF LIKELY EXPENSES

## Standard Expenses

Type	Description	Amount £
AML Checks	Electronic client verification	10.00
Bond Fee	Insurance bond	260.00
Document Hosting	Hosting of documents for creditors	84.00
Software Licence Fee	Case management system licence fee	87.00
Statutory Advertising	Advertising	249.06
Storage Costs	Storage of books and records	250.00
	<b>Total standard expenses</b>	<b>940.06</b>

## Case Specific Expenses

Type	Description	Amount £
Agents' Fees - CRM	Costs of collection of debts	% of realisations
Agents' Fees - Insol	Employee Redundancy Assistance	500.00
Agents' Fees – Accountancy advice	Assistance with reconciliation of the Company's financial records	1,000.00
Staff Mileage	Category 2 disbursement requiring specific creditor / committee approval	200.00
	<b>Total case specific expenses</b>	<b>1,700.00</b>

## APPENDIX G

## ESTIMATED OUTCOME STATEMENT

	Secured	Financed	Preferential	Unsecured
	£'000	£'000	£'000	£'000
Amount estimated available to class of creditor	130	N/A	Nil	Nil
Amount due to creditor per Appendix B	(127)	N/A	(9)	(249)
Estimated dividend rate (as a %)	100%	N/A	0%	0%

**LEONARD CURTIS POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS**

The following Leonard Curtis policy information is considered to be relevant to creditors:

**Staff Allocation and Charge Out Rates**

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard £	Complex £
Director	450	562
Senior Manager	410	512
Manager 1	365	456
Manager 2	320	400
Administrator 1	260	325
Administrator 2	230	287
Administrator 3	210	262
Administrator 4	150	187
Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

**Subcontractors**

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

**Expenses**

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per individual

## Agency Lighting Limited - In Administration

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case																								
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting	Hosting of documents for creditors/shareholders	<table> <tr> <th>Type</th><th>First 100</th><th>Every addtl 10</th></tr> <tr> <td>ADM</td><td>£14.00</td><td>£1.40</td></tr> <tr> <td>CVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>MVL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CPL</td><td>£7.00</td><td>£0.70</td></tr> <tr> <td>CVA</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>BKY</td><td>£10.00</td><td>£1.00</td></tr> <tr> <td>IVA</td><td colspan="2">£10 p.a. or £25 for life of case</td></tr> </table>	Type	First 100	Every addtl 10	ADM	£14.00	£1.40	CVL	£7.00	£0.70	MVL	£7.00	£0.70	CPL	£7.00	£0.70	CVA	£10.00	£1.00	BKY	£10.00	£1.00	IVA	£10 p.a. or £25 for life of case	
Type	First 100	Every addtl 10																								
ADM	£14.00	£1.40																								
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CPL	£7.00	£0.70																								
CVA	£10.00	£1.00																								
BKY	£10.00	£1.00																								
IVA	£10 p.a. or £25 for life of case																									
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00																								
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case																								
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£83.02 plus VAT per advert Dependent upon advert and publication																								
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges																								

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See <b>disbursements</b> section below	See <b>disbursements</b> section below

### Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.



APPENDIX I

Insolvency (England and Wales) Rules 2016

Rule 14.4

**Proof of Debt – General Form**  
**Relevant date: 9 August 2018**

Name of Company in Administration:

Agency Lighting Limited

Company registered number:

04938750

1. Name of creditor (if a company, provide registration number)

2. Correspondence address of creditor (including email address)

3. Total amount of claim (£) at relevant date (include any Value Added Tax)

4. If amount in 3 above includes outstanding uncapitalised interest, state amount (£)

5. Details of how and when the debt was incurred (if you need more space attach a continuation sheet to this form)

6. Details of any security held, the value of the security and the date it was given

7. Details of any reservation of title claimed in respect of goods supplied to which the debt relates

--

8. Details of any document by reference to which the debt relates

--

9. Signature of creditor (or person authorised to act on the creditor's behalf)

--

10. Date of signing:

--

11. Address of person signing (if different from 2 above)

--

12. Name in BLOCK LETTERS

--

13. Position with, or relation to, creditor

--

Notes:

1. There is no need to attach them now but the office-holder may ask you to produce any document or other evidence which is considered necessary to substantiate the whole or any part of the claim, as may the chairman or convenor of any qualifying decision procedure.
2. *This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office-holder. If completing on behalf of the company, please state your relationship to the company.*

**INFORMATION IN RELATION TO THE PRE-PACKAGED SALE  
OF THE BUSINESS AND ASSETS IN ACCORDANCE WITH  
THE PROVISIONS OF STATEMENT OF INSOLVENCY PRACTICE 16**

**APPENDIX K**

**Insolvency (England and Wales) Rules 2016**

**Rule 3.39**

**Notice of an Invitation to Creditors to Form a Creditors' Committee**

In the:	HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS IN MANCHESTER - COMPANY & INSOLVENCY LIST (CHD)	No:	2734 OF 2018
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Re:	AGENCY LIGHTING LIMITED (IN ADMINISTRATION)
Previous Name:	N/A
Registered No:	04938750

Address of Company	UNIT 14, RUDGATE BUSINESS PARK, TOCKWITH, YORK, YO26 7RD
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**NOTICE IS HEREBY GIVEN, IN ACCORDANCE WITH PARAGRAPH 57 OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986, RULE 3.39 AND PART 17 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016, THAT** creditors are invited to decide whether a creditors' committee should be established if sufficient creditors are willing to be members of that committee. Sean Williams and Phil Deyes invite creditors to put forward their nominations for membership of the committee. Such nominations must be received by the date specified in this notice. The Joint Administrators can only accept nominations if they are satisfied as to the creditors' eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Nominations must be received by:  
and should be delivered to:

**26 September 2018**  
**Sean Williams and Phil Deyes**  
**36 Park Row**  
**Leeds**  
**LS1 5JL**  
**Tel: 0113 323 8890**  
**Email: recovery@leonardcurtis.co.uk**

Signed:



Dated: 10 September 2018

Creditors are referred to section 1.18 of this report for a link to guidance for creditors as to the roles, duties and responsibilities of members of creditors' committees.